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7 Attorneys for Complainant

8  
9 BEFORE THE  
10 DIVISION OF MEDICAL QUALITY  
11 MEDICAL BOARD OF CALIFORNIA  
12 DEPARTMENT OF CONSUMER AFFAIRS  
STATE OF CALIFORNIA

13 In the Matter of the Accusation )  
14 Against: )

15 LARRY M. CHO, M.D. )  
16 2501 G Street )  
Bakersfield, CA 93301 )

17 Physician's and Surgeon's )  
18 Certificate No. A-32478 )

19 Respondent. )

Case No. 08-94-33886

STIPULATION IN  
SETTLEMENT; DECISION  
AND ORDER

20 Respondent Larry M. Cho, M.D. (hereinafter "respondent"), by  
21 and through his counsel Dennis M. Warren, A Professional  
22 Corporation, by Dennis M. Warren, Esq., and the Division of  
23 Medical Quality, Medical Board of California (hereinafter  
24 "Board"), through its counsel Deputy Attorney General Fred A.  
25 Slimp II, do hereby enter into the following stipulation:

26 1. Respondent was heretofore issued California Physician's  
27 and Surgeon's Certificate No. A-32478 under the laws of the State  
of California. At all times pertinent hereto, said certificate

1 was in full force and effect, and will expire on November 30,  
2 1995.

3       2. On or about May 27, 1994, an Accusation bearing number  
4 08-94-33886 was filed by Dixon Arnett, Executive Director of the  
5 Board, in his official capacity as such. Said Accusation alleged  
6 causes for disciplinary action against respondent. Respondent was  
7 duly and properly served with Accusation number 08-94-33886 by  
8 certified mail, and respondent filed a timely Notice of Defense  
9 requesting a hearing on the charges contained in the Accusation.

10       3. Respondent has retained as counsel Dennis M. Warren, A  
11 Professional Corporation, by Dennis M. Warren, Esq., who has  
12 made respondent fully aware of the charges and allegations of  
13 violation of the California Business and Professions Code  
14 contained in Accusation number 08-94-33886, and has also made him  
15 fully aware of his rights under the Administrative Procedure Act  
16 of the State of California, including his right to a formal  
17 hearing and opportunity to defend against the charges contained  
18 in Accusation number 08-94-33886, and reconsideration and  
19 judicial review of any adverse decision that might be rendered  
20 following said hearing. Respondent knowingly and intelligently  
21 waives his rights to a hearing, reconsideration, judicial review,  
22 and to any and all other rights which may be accorded him  
23 pursuant to the Administrative Procedure Act regarding the  
24 charges contained in Accusation number 08-94-33886.

25       4. For the purposes of this settlement and the resolution of  
26 the charges contained in Accusation number 08-91-14340 entitled  
27 "In the Matter of the Accusation Against Anthony G. Bledin, M.D."

1 and for no other reason or purpose, respondent admits that on or  
2 about November, 1990 to on or about October, 1991, respondent,  
3 doing business as, in, or through Valley Industrial Medical  
4 Group, 2501 G Street, Bakersfield, CA 93301, sent and/or referred  
5 approximately four hundred seven (407) magnetic resonance imaging  
6 ("MRI") patients to Anthony G. Bledin, M.D., doing business as  
7 Ocean Medical Imaging, for medical imaging purposes.

8         Respondent further admits that he received at least sixty-  
9 four thousand dollars (\$64,000) from Bledin and/or Ocean Medical  
10 Imaging in illegal patient referral fees during the period  
11 indicated above, equalling a per patient/per month referral value  
12 of between approximately \$163 to \$257.

13         Respondent also admits that his receipt of illegal patient  
14 referral fees from Anthony G. Bledin, M.D. and/or Ocean Medical  
15 Imaging as set forth above constitutes violations of Business and  
16 Professions Code §§ 650 and 2234(e) as general intent offenses  
17 and unprofessional conduct within the meaning of Business and  
18 Professions Code § 2234 in conjunction with § 650 and,  
19 independently, within the meaning of § 2234(e).

20         5. In consideration of the preceding stipulations and  
21 admissions, the Board may enter the following order: Physician's  
22 and Surgeon's certificate number A-32478 previously issued to  
23 respondent Larry M. Cho, M.D., is hereby revoked; however,  
24 revocation is stayed and respondent is placed on probation for a  
25 period of five (5) years under the following terms and  
26 conditions:

27                 (A) Respondent shall cooperate with complainant in

1 providing truthful interviews in anticipation of his testimony,  
2 and shall testify truthfully on behalf of complainant in any  
3 administrative hearing or other forum or proceeding wherein  
4 complainant is a party convened for the purpose of resolving the  
5 allegations contained in Accusation number 08-91-14340, "In the  
6 Matter of the Accusation Against Anthony G. Bledin, M.D.;"

7 (B) Respondent shall testify in any such hearing, forum  
8 or proceeding as required by paragraph 5(A), above, consistently  
9 with the admissions contained in paragraph 4, above;

10 (C) Respondent's failure to comply with the provisions  
11 or requirements of paragraphs 5(A) or 5(B) shall constitute  
12 unprofessional conduct amenable to discipline by the Board;

13 (D) As part of probation, respondent is suspended from  
14 the practice of medicine for thirty (30) days beginning the  
15 effective date of the Board's decision herein;

16 (E) Within sixty (60) days of the effective date of the  
17 Board's decision herein, respondent shall submit to the Division  
18 for its prior approval a course in ethics which respondent shall  
19 successfully complete during the first year of probation;

20 (F) Respondent shall obey all federal, state, and local  
21 laws and all rules governing the practice of medicine in  
22 California;

23 (G) Respondent shall submit quarterly declarations  
24 under penalty of perjury on forms provided by the Division,  
25 stating whether there has been compliance with all the conditions  
26 of probation;

27 (H) Respondent shall comply with the Division's

1 probation surveillance program;

2 (I) Respondent shall appear in person for interviews  
3 with the Division's medical consultant upon request at various  
4 intervals and with reasonable notice;

5 (J) The period of probation shall not run during the  
6 time respondent is residing or practicing outside the  
7 jurisdiction of California. If, during probation, respondent  
8 moves out of the jurisdiction of California to reside or practice  
9 elsewhere, respondent shall immediately notify the Division in  
10 writing of the date of departure and the date of return, if any;

11 (K) Upon successful completion of probation,  
12 respondent's certificate shall be fully restored; and

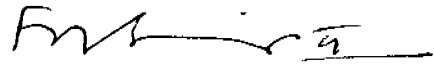
13 (L) If respondent violates probation in any respect,  
14 the Division, after giving respondent notice and the opportunity  
15 to be heard, may revoke probation and carry out the disciplinary  
16 order that was stayed. If an accusation or petition to revoke  
17 probation is filed against respondent during probation, the  
18 Division shall have continuing jurisdiction until the matter is  
19 final, and the period of probation shall be extended until the  
20 matter is final.

21 6. IT IS FURTHER STIPULATED AND AGREED that the terms and  
22 conditions set forth herein shall be null and void and not  
23 binding on the parties hereto unless and until approved by the  
24 Board, but that after respondent has signed the stipulation  
25 herein he shall not be permitted to withdraw from the stipulation  
26 unless or until it is rejected by the Board.

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1 DATED: Feb. 9, 1995

DANIEL E. LUNGREN, Attorney General  
of the State of California  
JANA L. TUTON, Supervising  
Deputy Attorney General

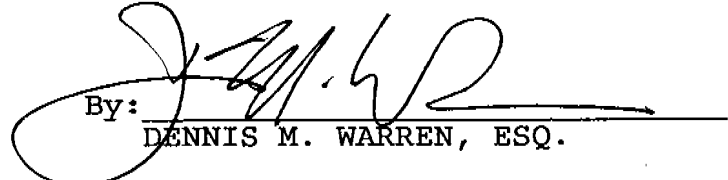


FRED A. SLIMP II  
Deputy Attorney General

Attorneys for Complainant

9 DATED: 2.2.95

DENNIS M. WARREN, A Prof. Corp.

By:   
DENNIS M. WARREN, ESQ.

Attorney for Respondent

1 I HAVE READ the stipulation, decision and order. I  
2 understand that I have the right to a hearing on the charges  
3 contained in the Accusation, the right to cross-examine  
4 witnesses, and the right to introduce evidence on my own behalf.  
5 I knowingly, voluntarily, and intelligently waive all of these  
6 rights, and understand that by signing the stipulation I am  
7 permitting the Board to impose discipline on my certificate. I  
8 understand the terms and ramifications of the stipulation,  
9 decision and order, and agree to be bound by those terms.

10 DATED: 2-1-95

Larry M. Cho, MD  
LARRY M. CHO, M.D.

Respondent


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DECISION AND ORDER

The foregoing is adopted as the Decision of the Division of Medical Quality, Medical Board of California in this matter and shall become effective on the 24th day of March, 1995.

IT IS SO ORDERED this 23rd day of February, 1995.

DIVISION OF MEDICAL QUALITY  
MEDICAL BOARD OF CALIFORNIA  
DEPARTMENT OF CONSUMER AFFAIRS  
STATE OF CALIFORNIA

By 



DANIEL E. LUNGREN, Attorney General  
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Attorneys for Complainant

BEFORE THE  
DIVISION OF MEDICAL QUALITY  
MEDICAL BOARD OF CALIFORNIA  
DEPARTMENT OF CONSUMER AFFAIRS  
STATE OF CALIFORNIA

In the Matter of the Accusation ) No. 08-94-33886  
Against: )  
LARRY M. CHO, M.D. ) ACCUSATION  
2501 G Street )  
Bakersfield, CA 93301 )  
Physician's and Surgeon's )  
Certificate No. A-32478 )  
Respondent. )

Complainant, Dixon Arnett, alleges as follows:

1. He is the Executive Director of the Medical Board  
of California (hereinafter "Board"), and makes and files this  
accusation solely in his official capacity.

2. On or about June 20, 1978, respondent Larry M.  
Cho, M.D. (hereinafter "respondent") was issued Physician's and  
Surgeon's Certificate number A-32478 by the Board. At all times  
pertinent herein, said certificate was, and currently is, in full  
force and effect.

1           3.     Sections 2220 and 2234 of the Business and  
2 Professions Code (hereinafter "Code") provide, in pertinent part,  
3 that the Division of Medical Quality may take action against the  
4 holder of a physician's and surgeon's certificate who is guilty  
5 of unprofessional conduct.

6           4.     Section 650 of the Code provides that the offer,  
7 delivery, receipt, or acceptance by any person licensed under  
8 this division of any rebate, refund, commission, preference,  
9 patronage dividend, discount, or other consideration, whether in  
10 the form of money or otherwise, as compensation or inducement for  
11 referring patients, clients, or customers to any person,  
12 irrespective of any membership, proprietary interest or co-  
13 ownership in or with any person to whom these patients, clients,  
14 or customers are referred is unlawful.

15           5.     Section 2234(e) of the Code provides that the  
16 commission of any act involving dishonesty or corruption which is  
17 substantially related to the qualifications, functions, or duties  
18 of a physician and surgeon constitutes unprofessional conduct.

19           6.     Section 2261 of the Code provides that knowingly  
20 making or signing any certificate or other document directly or  
21 indirectly related to the practice of medicine or podiatry which  
22 falsely represents the existence or nonexistence of a state of  
23 facts constitutes unprofessional conduct.

24           7.     Respondent is guilty of unprofessional conduct  
25 within the meaning of Code section 2234 in conjunction with  
26 section 650, and within the meaning of sections 2234(e) and 2261  
27 as more specifically set forth below:

1                                    Patient Referral Kick-Back Scheme

2                    In or about November 1990 to in or about October 1991,  
3 respondent, doing business as, in, or through Valley Industrial  
4 Medical Group, 2501 G Street, Bakersfield, California 93301, sent  
5 and/or referred approximately four hundred seven (407) magnetic  
6 resonance imaging ("MRI") patients to Anthony G. Bledin, M.D.,  
7 doing business as Ocean Medical Imaging, for medical imaging  
8 purposes. Pursuant to an illegal kick-back scheme whereby  
9 respondent received one hundred fifty dollars (\$150) per referral  
10 to Bledin and/or Ocean Medical Imaging disguised as a facilities  
11 "rental" fee, respondent received at least sixty-four thousand  
12 dollars (\$64,000) in illegal patient referral fees during the  
13 period above indicated from Bledin and/or Ocean Medical Imaging.  
14 During the same period, respondent caused to be issued by Valley  
15 Industrial Medical Group numerous invoices for payment from  
16 Bledin and/or Ocean Medical Imaging falsely stating that the said  
17 invoices were for facilities "rental" payments rather than for  
18 the illegal patient referral fees actually involved.

19                    8. Respondent's receipt of patient referral fees from  
20 Anthony G. Bledin, M.D. and/or Ocean Medical Imaging as indicated  
21 above constitutes unprofessional conduct within the meaning of  
22 Code section 2234 in conjunction with section 650 and within the  
23 meaning of section 2234(e).

24                    9. Respondent's causing to be issued false invoices  
25 for spurious "rental" fees to cover the illegal referral fees as  
26 indicated above constitutes unprofessional conduct within the  
27 meaning of Code sections 2234(e) and 2261.

1 WHEREFORE COMPLAINANT PRAYS that the Division of  
2 Medical Quality hold a hearing on the matters alleged herein and,  
3 following said hearing, issue a decision:


4 1. Revoking or suspending Physician's and Surgeon's  
5 Certificate number A-32478 heretofore issued to respondent  
6 Larry M. Cho, M.D.;

7 2. Prohibiting respondent Larry M. Cho, M.D. from  
8 supervising physician assistants;

9 3. Directing respondent Larry M. Cho, M.D. to pay to  
10 the Division the actual and reasonable costs of the investigation  
11 and prosecution of this matter; and

12 4. Taking such other and further action as it may  
13 deem proper.

14 Dated: MAY 27, 1994

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17 DIXON ARNETT  
18 Executive Director  
19 Medical Board of California  
20 State of California  
21 Complainant  
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